

TO: Finance and Personnel Committee

DT: February 26, 2009

FM: Herbert Pike, Finance Director

Re: Financial Reports  
--January 2009

The following are highlights of the financial reports for January 2009.

Cash on Hand (Figure 1)

Cash on hand increased to about \$1.24 million on January 31 from \$1.09 million on December 31. The January balance includes approximately \$0.62 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. Much of the increase in cash from the prior month is attributed to the decrease in receivables noted below. The January 31 cash balance is approximately \$59 thousand more than the prior year. While higher compared to a year ago, the current cash balance includes approximately \$300 thousand designated to cover the Annual Required Contribution (ARC) to amortize the Agency's unfunded liability for Other Post Employment Benefits (retiree health care) over the next 30 years.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.43 million on January 31, compared to \$3.72 million a month prior. Compared to January 31 the year prior, the total reflects an increase of approximately \$1.0 million. It is feared that the continued reduction in State staffing and requested furloughs may slow reimbursements in the succeeding months. Also, some projects to be supported by State bond sales are still awaiting reimbursement because of the State's cash flow and budget impasse has delayed bond issuance. It is projected to be at least another 2 months or more before the bonds are issued and payments are made. Staff will seek to accelerate collections from other Federal and local funding sources.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses on January 31 amounted to about \$10.81 million, or 40.50%, of the approved budget of \$26.7 million for FY 08-09.

Actual vs. Budgeted Revenues (Figure 10)

At January 31, total revenues amounted to about \$10.63 million, or 39.81%, of the approved budget of \$26.7 million for FY 08-09.

As of January 31, both revenues and expenses are below budget for the first seven month of FY 08-09. These positions are largely due to the timing of consultant and sub-contractor expenses that are grant funded. These are typically multi-year programs and their budget balances at fiscal year-end (June 30, 2009) will be carried forward to the following year. However, several Estuary and Bay Trail projects have been suspended due to budget issues at the State. There is a concern that they may not be continued.

Fund Equity (Figure 5)

As of January 31, general fund equity was approximately \$0.93 million. The decline from \$0.97 million as of December 31 is attributed to two holidays in January. The agency's restricted fund equity, consisting of building bond interest, capital, self-insurance and building maintenance, remains unchanged at \$510 thousand.

**AGENDA ITEM 4**

#### Indirect Cost (Figure 6)

The agency's actual indirect cost (overhead) rate was 40.43% of direct labor cost as of January 31, or about 94% of the budgeted rate of 43.00% for FY 08-09. Overhead expenditures are expected to slightly escalate during the last five months of the fiscal year, bringing the actual closer to the budgeted rate of 43.0%.

#### Overall (Figures 3, 4, 7 & 8)

At January 31, the agency's finances are reasonably close to forecast with a modest deficit of roughly \$183 thousand, or 1.7% of the year-to-date revenues. It appears that this fiscal year is adequately funded if the State issues infrastructure bonds and removes the suspension of several awarded contracts. ABAG is being impacted by the State's cash flow problems and delays in reimbursements as seen in increased accounts receivable. Some projects funded through the State have been suspended until the certain State bonds are issued. At present, there appears to be sufficient funding to cover grant-funded staff affected by the suspended projects into April.

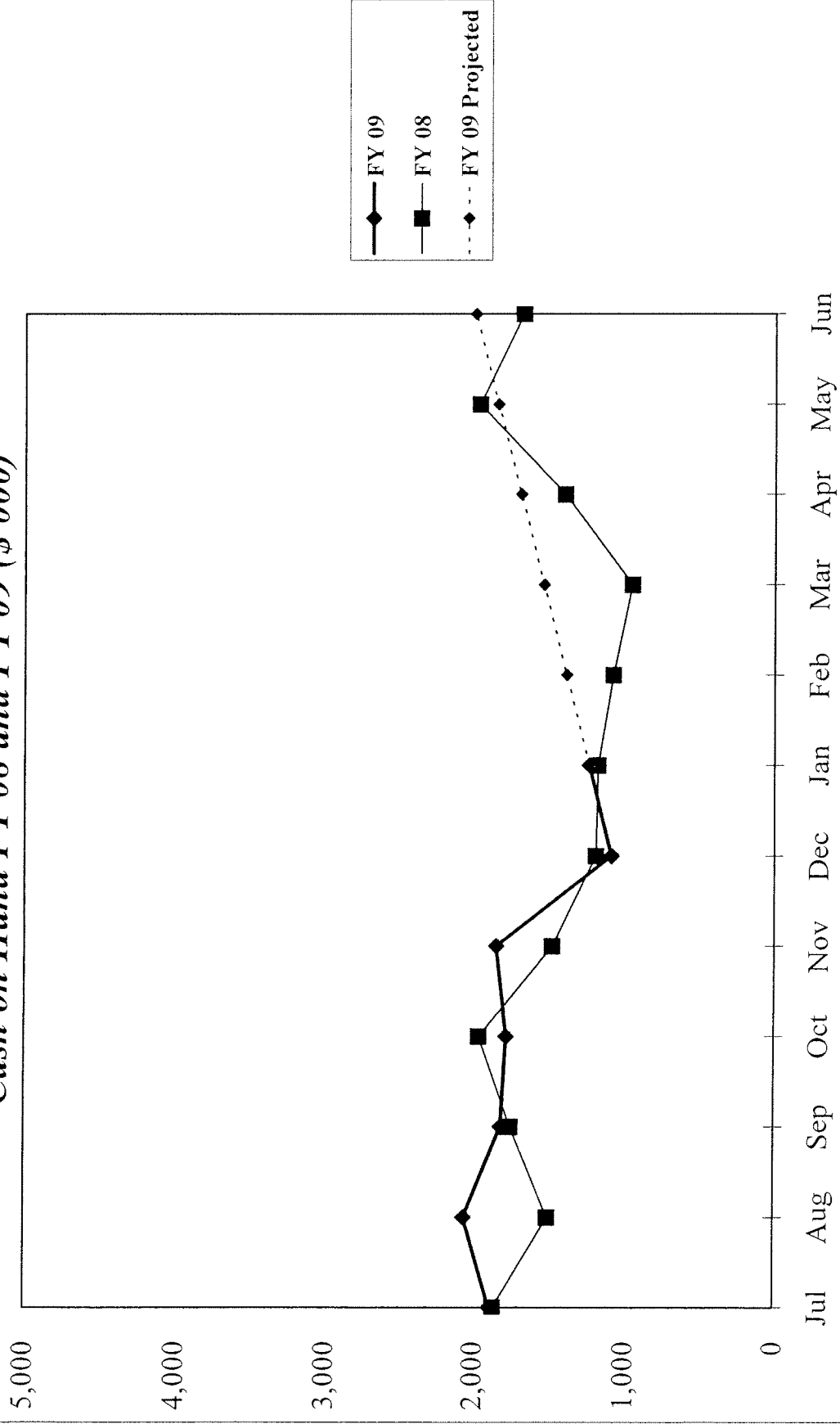
# **ABAG FINANCIAL REPORTS**

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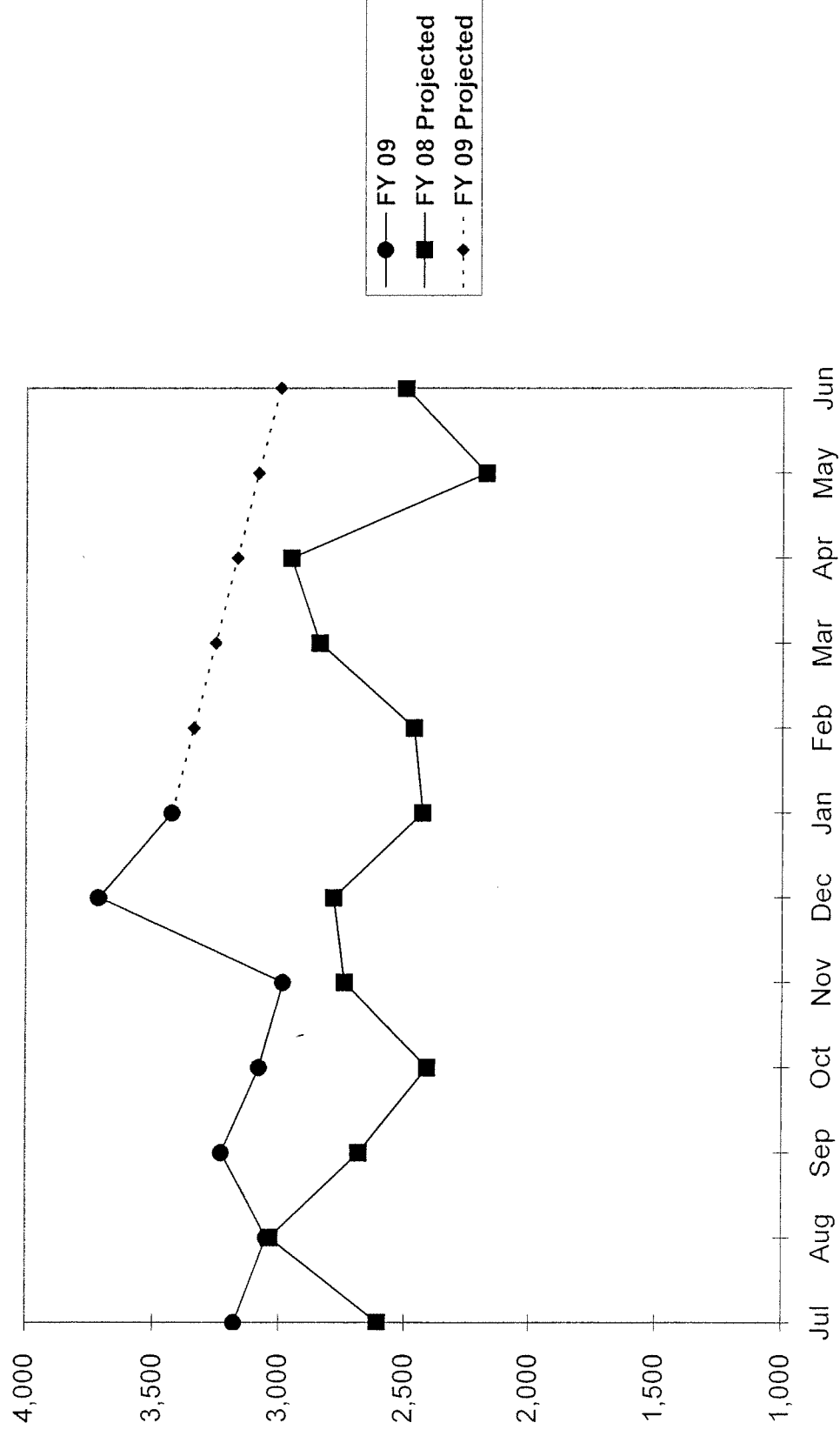
# ABAG Financial Indices

## *Cash on Hand FY 08 and FY 09 (\$'000)*



# ABAG Financial Indices

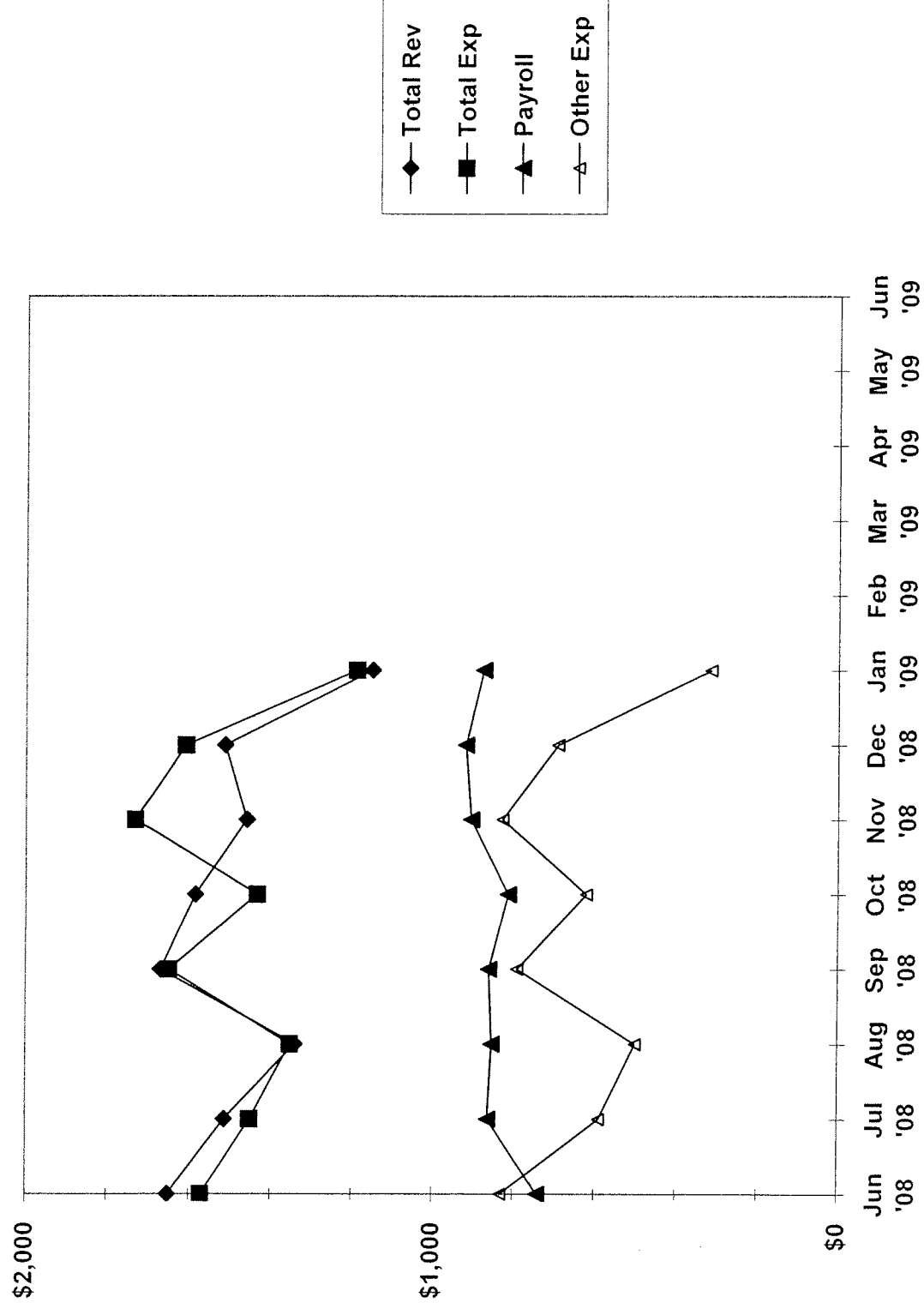
## *Accounts Receivable FY 08 and FY09 (\$'000)*



# ABAG Financial Indices

Current Month Revenues & Expenses

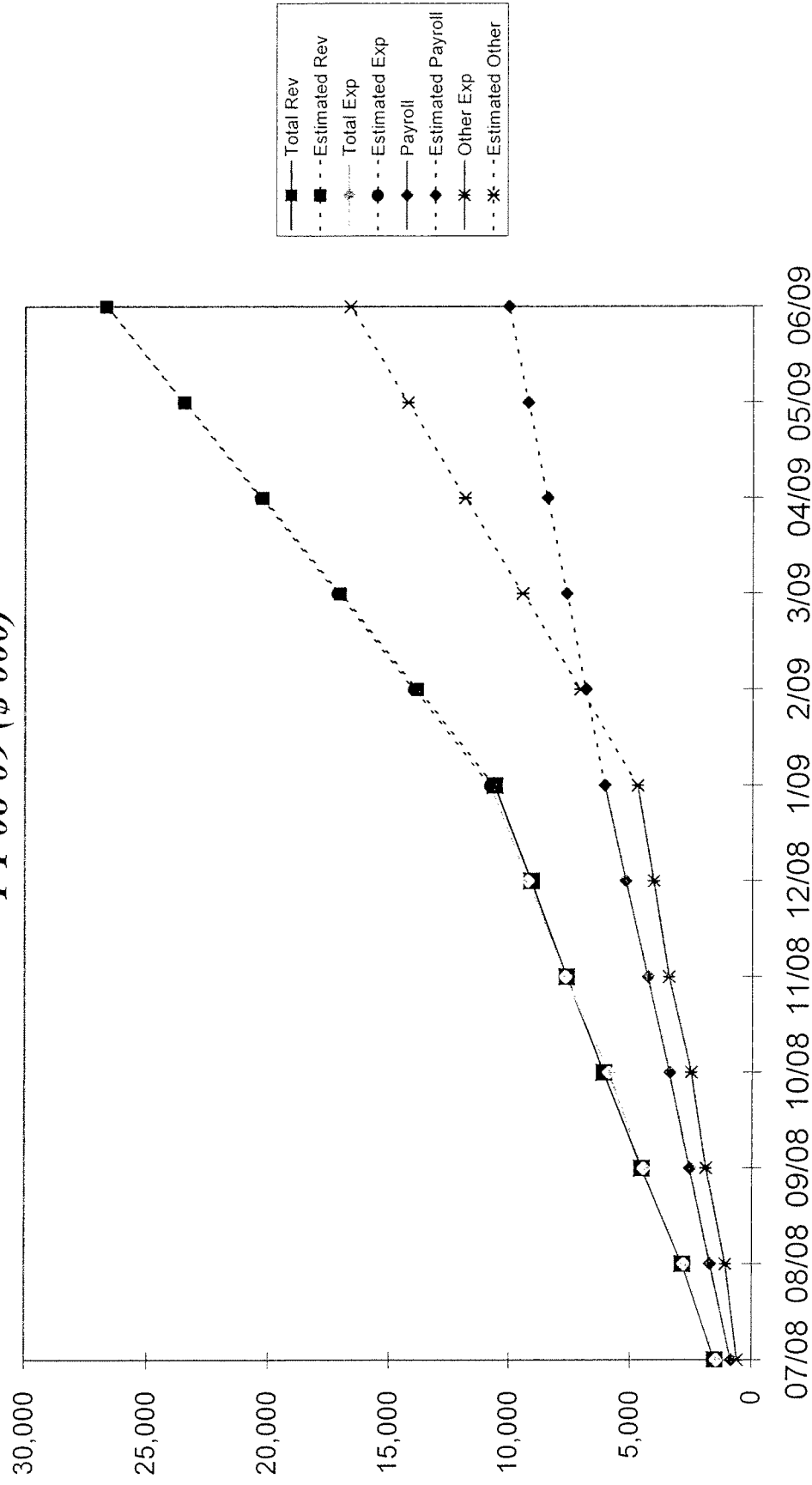
FY 08-09 (\$'000)



# ABAG Financial Indices

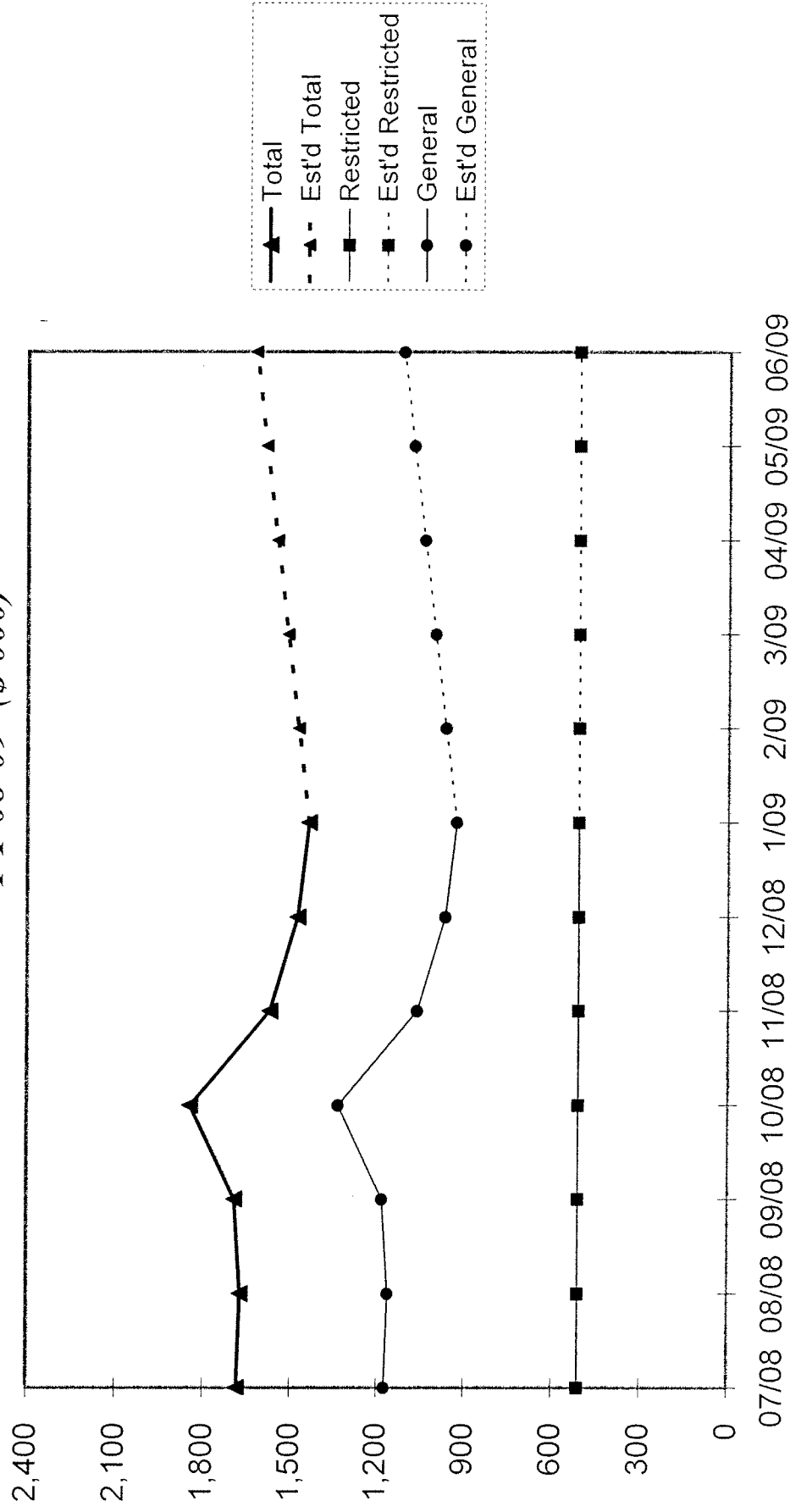
## Year-to-date Revenues & Expenses

### FY 08-09 (\$'000)



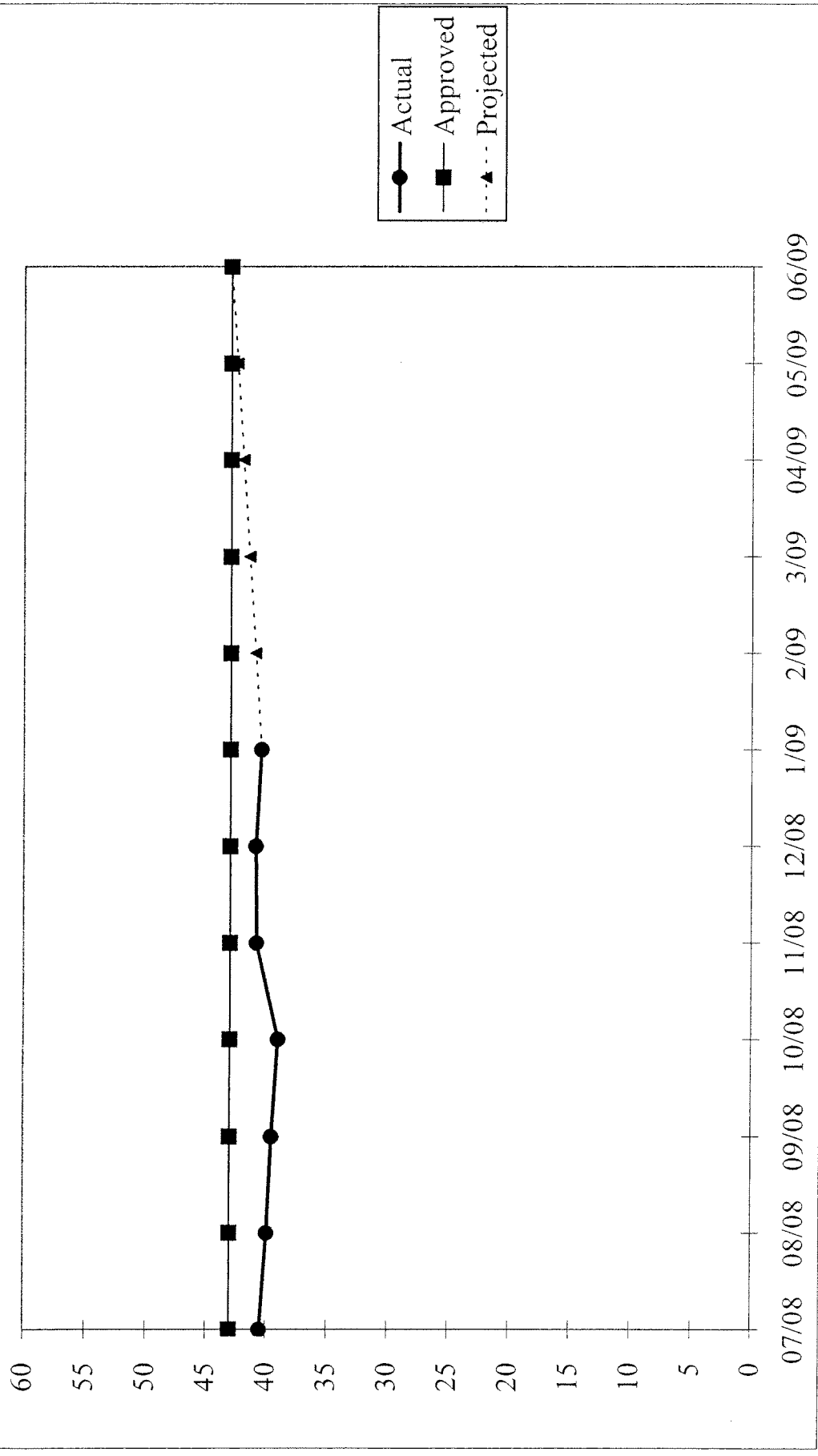
# ABAG Financial Indices

*Fund Equity*  
FY 08-09 (\$'000)

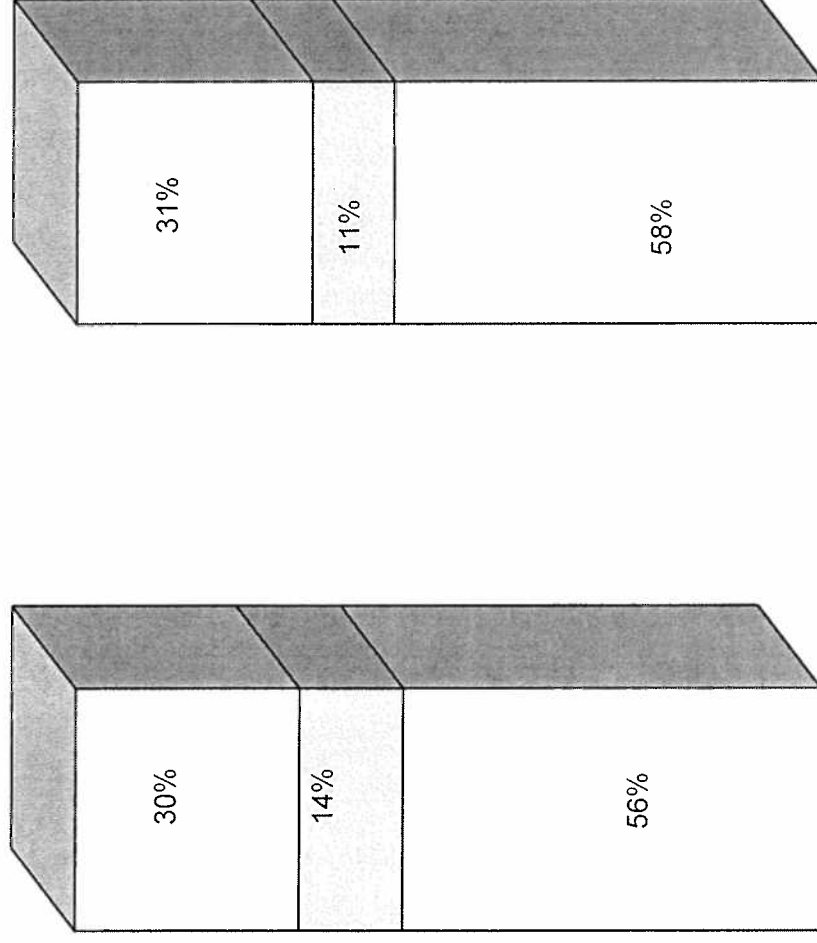




# **ABAG Financial Indices** *Indirect Cost Rate (% of Direct Labor Cost)* **FY 08-09**

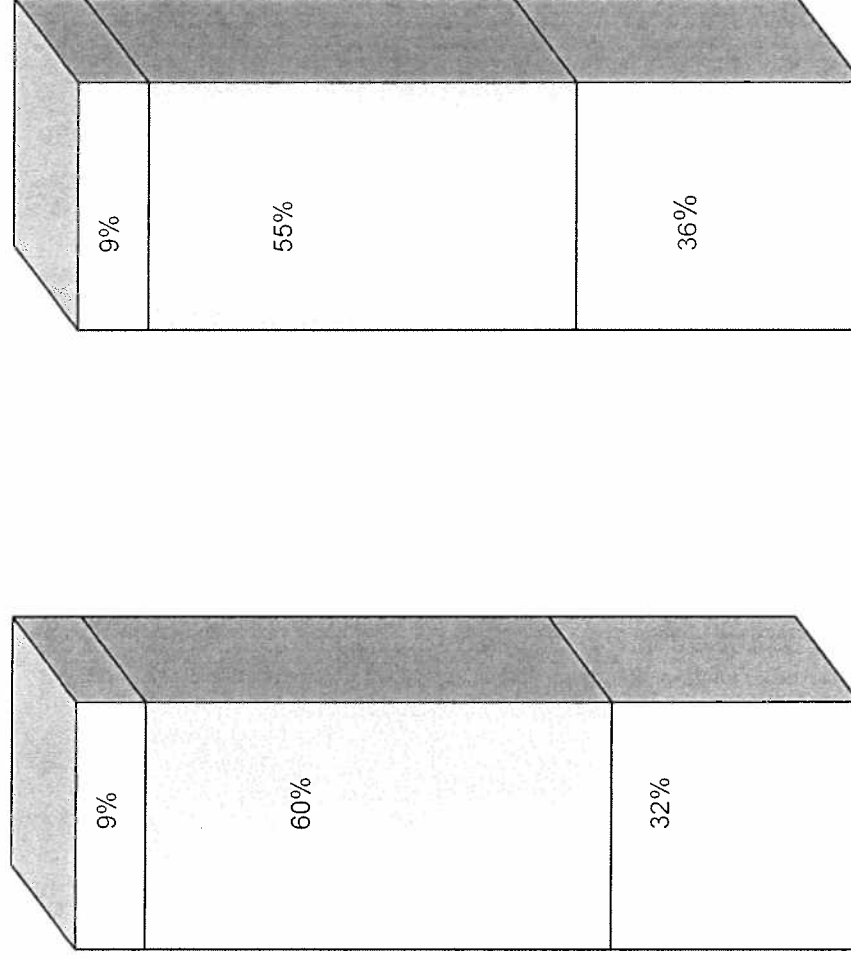


**ABAG Financial Indices**  
**Composition of Expenses FY 08 -- FY 09**  
**Year to Date**  
**(\$'000)**



	FY08-09 Expenses (Total \$10,811)	FY07-08 Expenses (Total \$9,743)
□ Consultants	\$3,215	\$3,052
□ Others	\$1,510	\$1,071
□ Payroll	\$6,085	\$5,620

**ABAG Financial Indices**  
**Composition of Revenues FY 08-- FY 09**  
**Year to Date**  
**(\$'000)**

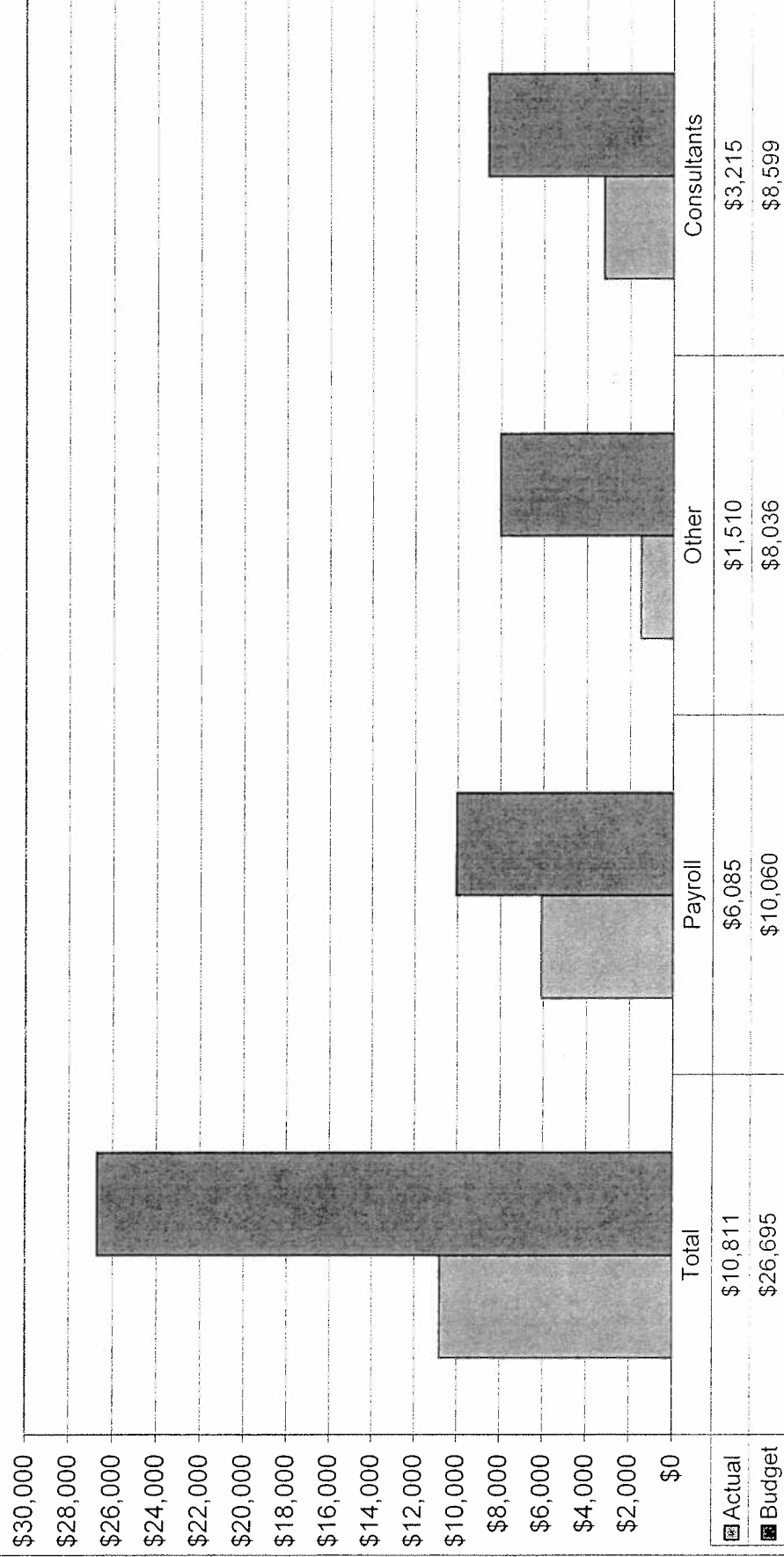


	FY 08-09 Revenue (Total \$10,628)	FY 07-08 Revenue (Total \$9,823)
<input type="checkbox"/> Membership	\$935	\$877
<input type="checkbox"/> Grants	\$6,339	\$5,380
<input type="checkbox"/> Services & Others	\$3,354	\$3,566

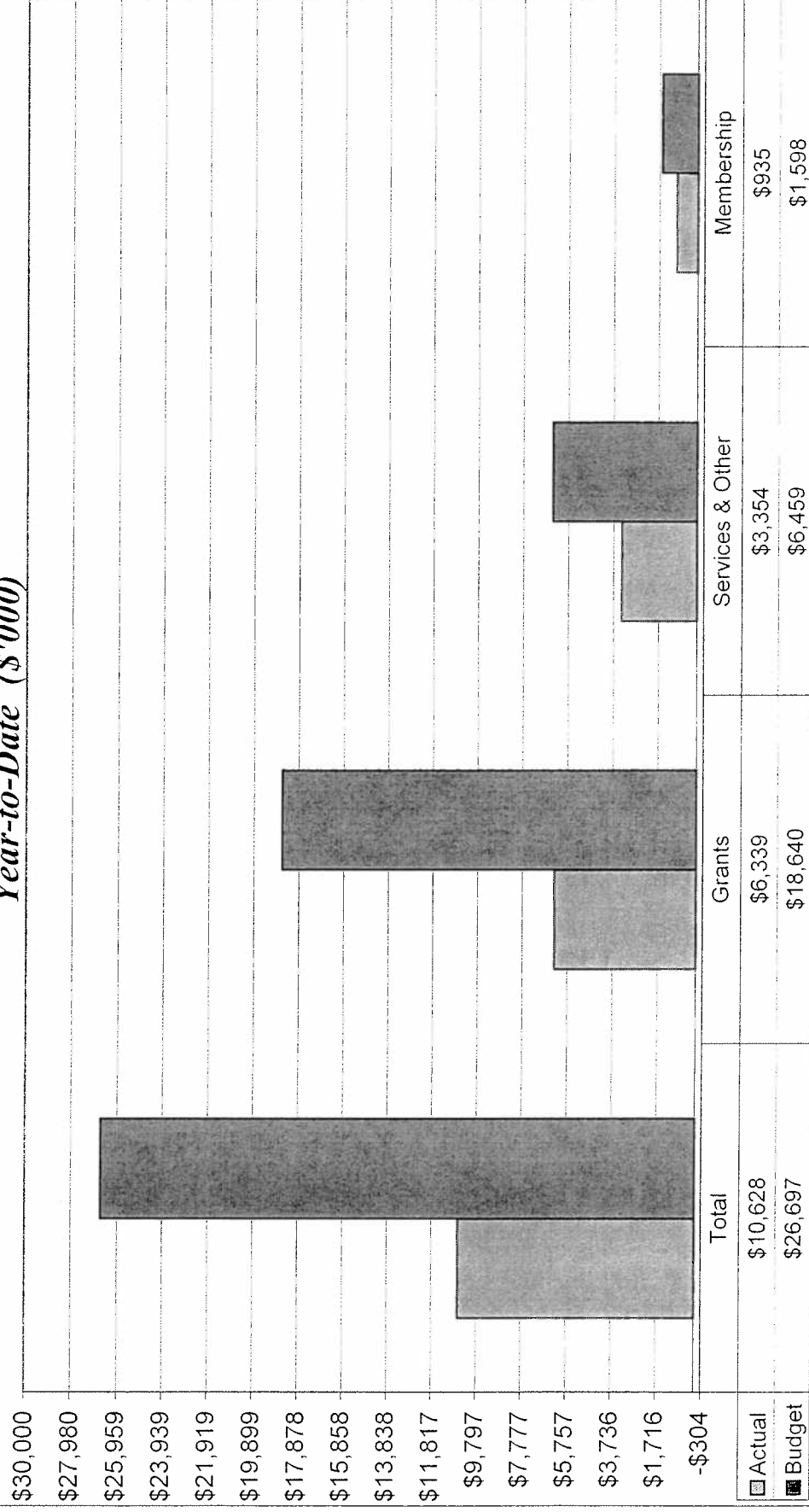
# ABAG Financial Indices

## Actual vs Budgeted Expenses--FY 08-09

### Year-to-Date (\$'000)



# **ABAG Financial Indices** *Actual vs Budgeted Revenues--FY 08-09* *Year-to-Date (\$'000)*



## **Description of Charts**

### Figure 1 -- Cash on Hand

Cash on hand represents the sum total of cash deposited at our bank and the Local Agency Investment Fund (LAIF). This chart shows fluctuation patterns of cash on hand for the current and last fiscal years.

### Figure 2 -- Accounts Receivable

Accounts receivable tracked by this chart include receivables generated by grants and service programs over two fiscal years. This chart reflects the reasonableness of our receivable levels. We usually have about six weeks' worth of our annual revenues in receivables.

### Figure 3 -- Current Month Revenues and Expenses

Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the agency.

### Figure 4 -- Year-to-date Revenues and Expenses

Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or Deficit) for the agency.

### Figure 5 --Fund Equity

Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building bond interest, building maintenance, self-insurance and capital. These restricted equities represent the agency's equities set aside for specific purposes as approved by the Finance and Personnel Committee. Total equity is the sum total of general and restricted equities.

### Figure 6 -- Indirect Cost Rate (% of Direct Labor Cost)

This chart shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB A-87.

#### Figure 7 -- Composition of Expenses

This chart compares expenses for current and last fiscal years. It groups expenses into two broad categories -- payroll costs and other expenses.

#### Figure 8 -- Composition of Revenues

Presents a break down of total revenues into four main sources -- membership, grants, services and others. This chart compares revenue sources between current and last fiscal years.

#### Figure 9 -- Actual vs. Budgeted Expenses

Presents a comparison of actual and budgeted total expenses as well as component categories: payroll costs, consultants and other expenses.

#### Figure 10 -- Actual vs. Budgeted Revenues)

Presents a comparison of actual and budgeted total revenues as well as component categories: membership dues, grants, services and other.

